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Blurring of FBI, CIA feared

Webster urged to keep 'bright line' between two

✓ By Sam Meddis
USA TODAY

FBI Director William Webster's nomination to head the CIA — though popular on both sides of Capitol Hill — raises sticky interagency questions.

Reason: The CIA — created in 1947 when the terror of Nazi Germany's all-powerful Gestapo was still fresh in lawmakers' minds — is barred by law from engaging in domestic law enforcement. Domestic security is the FBI's job.

After meeting with President Reagan at the White House Wednesday, Webster said that while the CIA and FBI will cooperate when necessary for national security, "they will continue to be separate."

But Webster's transition to the CIA could nevertheless give the public a "blurred image" of the two agencies' functions, said former CIA Deputy Director Ray Cline.

Webster won't ignore the agencies' distinctions, said John Greaney of the Association of Former Intelligence Officers, but there's a danger that lack of separation will "be the image and inference that will be drawn."

Sen. William Cohen, R-Maine, said the line separating the CIA and FBI must be kept "very bold and bright." But he's confident Webster will stay on the right side.

Cohen said it will take about three weeks for the FBI to complete its background investigation of Webster. Webster will have to explain a delay he agreed to before allowing the FBI to investigate a Miami airline believed to have had a role

White House says it has no FBI candidates

The White House says it has "no candidates yet" to replace FBI Director William Webster — but speculation centered Wednesday on federal Judge Lowell Jensen of San Francisco.

"I am not a candidate for the top FBI job," said Jensen. "I am completely satisfied with my position here."

But he declined to say whether he'd turn it down.

Other names: John Simpson, head of the U.S. Secret Service, and Associate Attorney General Stephen Trott, although he's said in the past he's not interested.

Unlike the CIA director — who serves at the will of the president — the FBI director serves a 10-year term. That law was passed in 1976 — after the lengthy and turbulent reign of former FBI director J. Edgar Hoover. Hoover served for 48 years before his death in 1972.

in the delivery of weapons to the contra rebels in Nicaragua.

But Cohen said: "I really don't see any major problem."

Others agree. Rep. Don Edwards, D-Calif., head of a House civil rights subcommittee, called Webster a "straight shooter" who wouldn't tolerate CIA abuses.

Former CIA Deputy Director Bobby Inman, who'd supported current CIA Deputy Director Robert Gates for the agency's top job, said Webster's nomination was "certainly the second-best outcome we could have hoped for."

MCC Project Appoints Grant A. Dove Chairman, Succeeding Bobby R. Inman ^A

By PAUL DUKE JR.

Staff Reporter of THE WALL STREET JOURNAL

AUSTIN, Texas — Microelectronics & Computer Technology Corp. named Grant A. Dove, an executive vice president at Texas Instruments Inc., to the positions of chairman and chief executive officer.

For the experimental high-tech research consortium the appointment is a turn from the high-profile of the man who shepherded MCC into being, Adm. Bobby R. Inman. Mr. Inman, a former director of the National Security Agency and deputy director of the Central Intelligence Agency, left MCC at the end of 1986 to head up a defense electronics holding company, closely held Westmark Systems Inc.

The contrast is dramatic; as Mr. Inman's name has been bandied about recently as a possible successor to Central Intelligence Agency chief William Casey—Mr. Inman has said he doesn't want the job—Mr. Dove, a 28-year veteran of Texas Instruments, has been spending much of his time trying to cut costs out of his company's deeply troubled geophysical services concern, which has been hurt by the drop in oil prices.

But it is that kind of "hands on" business experience that MCC is clearly reaching for in bringing on Mr. Dove. The members of the closely held consortium, which does cooperative research in some of the world's most advanced technology, say that the departure of Mr. Inman signaled the end of MCC's first phase. In that phase, they say, MCC overcame government and private skepticism and antitrust questions to prove that companies could cooperate in advanced research while competing in many markets.

"They've certainly chosen a lower profile guy than Bobby Inman," said Kenneth Sonenclar, vice president of New Science Associates Inc. in South Norwalk, Conn., a research and consulting firm that specializes in new technologies. "And that's what they need—a guy to run things more on a day-to-day basis."

Mr. Dove's tenure, they hope, will see the results of MCC's research begin to hit the marketplace in the form of new products, or at least work their way into the 20 companies that currently belong to the consortium.

"Our mission now is technology transfer—getting the research done at MCC out into the world," Mr. Dove said yesterday. "That's clearly my challenge."

Indeed, the thrust of Mr. Dove's career at Dallas-based Texas Instruments has

been marketing high technology, particularly in the defense business, and not in the company's huge research labs. In the early 1960s, as manager of Texas Instruments' Washington office, Mr. Dove was important in convincing the military to buy the Shrike missile, one of Texas Instruments' biggest selling weapons in that decade. Since then his important projects have included the development of computers for use in the oil and gas industry and more recently the development of the HARM missile, another big seller for the company.

Mr. Dove's career, however, has also included a stint of three years as the executive in charge of research and development. His current responsibilities include the geophysical services unit and corporate development. In recent years he has also been involved in Texas Instruments' strengthened efforts in artificial intelligence.

Mr. Dove, 58 years old, joins MCC at a time when it is still difficult to judge the success of the consortium. Some outsiders have criticized MCC, started in 1983, for producing little practical technology. But MCC has maintained from the start that its projects—including advanced software design, computer architecture and microchip design—have development schedules running upwards of seven years.

And Mr. Dove may have to work overtime to convince the member companies to stand by those long schedules. Though MCC included 12 companies at its inception and has grown to 20, the group sustained a blow earlier this year when three companies, Lockheed Corp., Allied-Signal Inc. and Unisys Corp., said they would leave at the end of 1986. To its credit, MCC lured Hewlett-Packard Co. into joining last November.

Sources close to Texas Instruments said that Mr. Dove may have decided to leave the company after such lengthy service because he had been passed over for promotions in recent years. But Mr. Dove said yesterday that such speculation was "nonsense."

"I was planning to retire soon anyway but (the MCC job) was so exciting I couldn't pass it up. I want to be involved in the leading edge of technology," Mr. Dove said.

Texas Instruments doesn't belong to MCC. Some of the other companies that do are National Semiconductor Corp., Eastman Kodak Co. and Digital Equipment Corp.

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Reagan Selects FBI's Webster To Head CIA

Choice Expected to Appeal To Intelligence Officials, Avoid Lengthy Hearings

By ANDY PASZTOR
And ELLEN HUME

Staff Reporters of THE WALL STREET JOURNAL

WASHINGTON — President Reagan chose William Webster, director of the Federal Bureau of Investigation, to take over as director of the embattled Central Intelligence Agency.

By picking Mr. Webster, a former federal appeals court judge widely respected in Congress as an independent, nonpartisan manager, the White House is likely to avoid a protracted nomination fight. Mr. Webster brings familiarity with some intelligence issues and remains largely unscathed by the Iran-Contra scandal that has shaken the Reagan administration. But the prospect of working for a former judge and law enforcement official is likely to cause apprehension among some members of the CIA's clandestine service who object to legal restrictions on the agency's operations.

The president offered the job, technically called director of central intelligence, to Mr. Webster after being turned down by at least two other candidates. Administration officials said the FBI chief, who initially was reluctant to make the move, accepted after repeated urgings by top White House aides.

The president urged the Senate to confirm Mr. Webster quickly as the new head for the CIA, which has been under fire from lawmakers for its involvement in the administration's secret Iran arms deals and support for the Nicaraguan Contras. Former Director William Casey resigned from the intelligence post Feb. 2 following surgery for a cancerous brain tumor.

Mr. Reagan had nominated Deputy CIA Director Robert Gates to succeed Mr. Casey, but Mr. Gates withdrew Monday in the face of mounting congressional criticism and White House



William Webster

concern that his nomination would keep the spotlight on the Iran-Contra affair. Investigators have questioned Mr. Gates's independence from White House political pressures and his failure to inform Congress that he suspected proceeds from the arms sales were being diverted to the Contras.

President Reagan said in a statement that Mr. Webster, 62, was "well known as a man of honor and integrity, as a man who is committed to the rule of law."

Congressional leaders praised Mr. Webster for improving the FBI's image, its professionalism and its relations with Congress. When he took the helm at the agency in 1978, it was still demoralized by its involvement in Watergate. Sen. Joseph Biden (D., Del.), chairman of the Judiciary Committee, yesterday described Mr. Webster as a "fine, fine leader," adding, "I've never once had to question anything" he has told Congress.

Bound to Raise Questions

Despite the good will for Mr. Webster on Capitol Hill, some lawmakers are bound to raise questions about his early handling of the Iran-Contra investigation.

Before the Iran-Contra scandal became public, Mr. Webster suspended, for nearly a month, an FBI criminal investigation of a Miami-based cargo airline suspected of shipping arms both to Iran and Nicaraguan rebels. A request to sidetrack the probe had come from Attorney General Edwin Meese, who said it might hamper efforts to recover U.S. hostages in the Middle East.

The FBI also has come under attack from some lawmakers for allegedly failing to investigate aggressively a pattern of break-ins involving groups opposed to U.S. policy toward Central America.

Nevertheless, retired Adm. Bobby Ray Inman, who formerly served as CIA deputy director and head of the National Security Agency, expressed both relief and satisfaction at Mr. Webster's nomination.

Functioning Under Constraints

Some intelligence officers have questioned whether U.S. intelligence services can function effectively under restrictions imposed by Congress in the 1970s. But Adm. Inman maintained that under Mr. Webster, the CIA will be able to function effectively within the confines of current statutes.

"At a time when the past procedures at the CIA need to be critically examined, he brings both clarity of mind and superb instincts," Adm. Inman said. "I'm persuaded that the job that needs to be done can be done within the constraints of the law."

Mr. Webster, a dignified, methodical manager who delayed retiring from the FBI last year in order to help oversee the bureau's investigation of the Iran-Contra affair, has spoken out publicly against some White House-supported covert operations—including proposals to kidnap sus-

pected terrorists in foreign countries and bring them to the U.S. to face trial.

Illustrating the turmoil and uncertainty besetting the administration, the White House announced the selection of Mr. Webster before senior Justice Department officials—including the attorney general's chief of staff—were notified.

The administration didn't name a replacement for Mr. Webster, and Justice Department officials said a serious search hadn't yet started. Some administration officials floated the names of several candidates—all of whom were mentioned last year when Mr. Webster talked about leaving the bureau. The list includes Associate Attorney General Stephen Trott; former Deputy Attorney General D. Lowell Jensen, who is now a federal district court judge in California; and former Associate Attorney General Rudolph Giuliani, currently the U.S. attorney in Manhattan.

However, some officials speculated that Mr. Giuliani harbors hopes of challenging New York Gov. Mario Cuomo and that Mr. Jensen may be unwilling to leave California. They concluded that the White House is more likely to choose an outsider for the FBI post.

Associates of Mr. Webster said the White House sounded out the FBI chief about the CIA post from the White House even before Mr. Casey resigned. The White House subsequently offered the job to Howard Baker, who later was named White House chief of staff, and to former Republican Sen. John Tower, before formally offering it to Mr. Webster, but they turned it down, according to administration officials.

During his more than nine years at the helm of the FBI, Mr. Webster took a leadership role in combating terrorist networks, infiltrating drug rings and targeting organized crime groups and corrupt labor unions for prosecution. Under his leadership, the bureau relied increasingly on sophisticated surveillance, undercover operations and computer methods, while guarding against such excesses as unauthorized domestic surveillance that sullied its image in the 1970s.

In another development in the White House's effort to put the Iran-Contra scandal behind it, attorneys for select House and Senate investigative committees took testimony yesterday from former White House Chief of Staff Donald Regan regarding the Iran-Contra matter. Neither side made any comment on the session, which ran at least two hours, according to sources.

Though informed of the administration's arms sales to Iran, Mr. Regan has repeatedly denied any knowledge of profits being diverted to aid the Contras.

JOHN WALCOTT CONTRIBUTED
TO THIS ARTICLE

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STATINTL

CIA Post Declined By Tower

Reagan Withdraws Gates Nomination; Scowcroft Mentioned

By David Hoffman
Washington Post Staff Writer

Bowing to congressional opposition, President Reagan withdrew the nomination of Robert M. Gates as director of central intelligence yesterday, and sources said former senator John G. Tower (R-Tex.), who chaired the special review board on the Iran-contra scandal, has turned down the job.

White House chief of staff Howard H. Baker Jr. told reporters that "certain contacts" on a new director are "still under way," but "we do not yet have an acceptance." Informed Republican sources said Brent Scowcroft, former national security adviser to President Gerald R. Ford and a member of the Tower board, was one of several candidates. Scowcroft was out of the country and could not be reached for comment yesterday.

Sources said Tower had been the first choice of Baker, who pushed hard for him, but that Tower turned down an offer from the White House.

Reagan said Gates, currently acting director, requested that his name be withdrawn. In a letter to the president, Gates cited "strong sentiment in the Senate" to hold up his confirmation until after the Senate select committee on the Iran affair completes its investigation. Gates said "a prolonged period of uncertainty would be harmful" to the Central Intelligence Agency.

Later, Gates said it is "imperative that the nation get on with its business" and "that would not have been possible" while controversy lingered over his nomination.

Reagan met with Gates yesterday and said he asked Gates to continue as deputy director. "I have been im-

pressed with the class he has shown under the enormous pressures of recent weeks," Reagan said in a statement. "At any other time, I am certain that he would easily have been confirmed without delay."

The Gates withdrawal came as Reagan continued an effort to recover from last week's damaging Tower board report, which found the president out of touch with actions of his subordinates and said that aides frequently violated procedures in the Iran-contra affair.

Baker predicted that Reagan's nationally televised speech Wednesday will "have a profound effect on the country's perception of his role as president and his future ability to govern." Baker described a draft of the address as "marvelous."

Speaking to reporters during his first day on the job, Baker said he had "never seen" Reagan "more energetic, more fully engaged and more in command of difficult circumstances He has never been better." However, an administration official who attended a Cabinet meeting with the president yesterday said Reagan still appeared to have difficulty coping with the Iran-contra affair.

Former CIA director William J. Casey, who resigned Feb. 2 after surgery for brain cancer, was released Saturday from Georgetown University hospital, a spokeswoman announced yesterday.

Following Gates' withdrawal, Sen. David L. Boren (D-Okla.), chairman of the Senate Select Committee on Intelligence, said Gates had become a "victim of circumstances" because of his role in deliberations on the Iran-contra affair.

"The same kind of questions would have been raised if St. Peter had been working in the CIA over the last two years" and had been chosen to head the agency under the current circumstances, Boren said.

Sen. Sam Nunn (D-Ga.), Armed Services Committee chairman, called Gates "a professional caught in a very bad series of circumstances." Among possible nominees, Nunn mentioned retired admiral Bobby Ray Inman, a former CIA deputy director, Gen. William E. Odom, head of the National Security Agency, and Scowcroft. "You couldn't do any better than Brent Scowcroft," Nunn said. "He's certainly qualified."

[United Press International reported last night that Inman said he would not accept the job if he were offered it.

"I am greatly distressed with the handling of the Gates nomination. The process has been used to the detriment of the performance and prospects of a competent public servant," he said.]

Sen. William S. Cohen (R-Maine), vice chairman of the Senate intelligence committee, said the administration was looking for someone from "outside the agency, outside the bureaucracy—primarily an outsider coming to give policy direction." What is important, Boren said, is a "fresh start."

As part of that effort, Republican sources said yesterday that the White House is considering a plan to have the president make highly visible trips to the State and Defense departments and CIA headquarters after his speech Wednesday night. This would be part of a campaign to rebut the criticism in the Tower report that he has been out of touch with policy-making, and a response to disclosures that he bypassed these agencies.

Staff writers Helen Dewar and Walter Pincus contributed to this report.

White House scrambling to fill top CIA post

By Bill Gertz
THE WASHINGTON TIMES

The abrupt withdrawal of Robert Gates as the president's choice to head the CIA left the White House scrambling yesterday to find a replacement to run the nation's spy agency.

President Reagan's new chief of staff, Howard Baker, said the search was "an urgent item" but by the end of the day a new nominee had not been announced.

"No choice has been made by the president as of this moment," Mr. Baker said. "We hope to have a name to submit very soon indeed. Certain contacts are still under way and whether they mature into acceptance or turndown I cannot say, but we do not yet have an acceptance."

Leading the list of possible choices are former Sen. John Tower, whose three-man board last week released a report highly critical of the administration's handling of the Iran arms-sales operation.

Fellow commission member Brent Scowcroft, a former national security adviser, also has been mentioned, along with FBI Director William Webster, administration and congressional sources said.

Other prospective candidates include: retired Adm. Bobby Ray Inman, a former CIA deputy director; National Security Agency Director Lt. Gen. William Odom; former Na-

tional Security Adviser Zbigniew Brzezinski; Sen. Malcolm Wallop, Wyoming Republican and a former intelligence panel subcommittee chairman; and John McMahon, Mr. Gates' predecessor as deputy CIA director.

Mr. Gates was nominated to the CIA post Feb. 2, when William Casey resigned after undergoing surgery to remove a cancerous brain tumor. The CIA issued a statement clarifying Mr. Gates' withdrawal and asserting that "no one asked him to withdraw his nomination." Nevertheless, his action saved Mr. Reagan the embarrassment of dropping his nomination.

"The president never wavered in his support," CIA spokeswoman Kathy Pherson said. "Mr. Gates considers it imperative the nation get on

with its business. He believes that would not have been possible while the nomination was pending." She said Mr. Gates intends to remain as the agency's deputy director.

The announcement was delayed several times yesterday, fueling speculation that a replacement for Mr. Gates could not be found.

Reached by telephone yesterday, Mr. Webster said he had not been approached by White House officials about the CIA director's job.

"At this point, it is pure speculation," Mr. Webster said. "I can only say I have not been approached."

Asked whether he would accept the post if it were offered, Mr. Webster said, "I would have to think seriously about it." A former federal judge, Mr. Webster's term as FBI director expires next year.

One senior FBI official, who asked not to be identified, said it was "business as usual" for Mr. Webster throughout most of yesterday, "and you would think that if he was seriously being considered [by the White House] for the post there would have been at least two or three phone calls [from the White House], which there hasn't been."

"I don't think their arrow points over here," the official said.

Adm. Inman, now an electronic industry executive, said last night that "under no circumstances" would he accept the post and he expressed bitterness at the way Mr. Gates' nomination was handled.

"They can save themselves the phone call," he said in an interview. "The handling of the whole Gates thing just sort of caps it."

Mr. Gates, a career analyst and Soviet affairs specialist, became acting chief in December after Mr. Casey, the CIA director since 1981, became ill. Mr. Casey was released from Georgetown University hospital Saturday.

Mr. Gates was questioned by the Senate Intelligence Committee during two days of often stormy con-

firmation hearings last month. The committee grilled Mr. Gates about his role in preparing analyses on Iran as deputy CIA intelligence director, and later as the agency's No. 2 man.

The panel also questioned Mr. Gates about why he did not take action quickly to alert senior officials about the possible diversion of funds from the Iran arms sales to the Nicaraguan resistance when it first surfaced Oct. 1.

Committee Chairman David Boren, Oklahoma Democrat, and Vice Chairman William Cohen, Maine Republican, yesterday released a statement praising Mr. Gates for his decision.

"It would not be good for the country to leave a critical department like the CIA adrift with only an acting director for a prolonged period of time," the senators said. "It became clear that pursuing the nomination of Robert Gates would have only extended the period during which the CIA would be without permanent leadership."

The senators said Mr. Gates should be commended for putting the interests of the country above his own personal good, "by standing aside so a permanent director could be put in place more quickly."

Mr. Nunn told reporters he thinks there are at least a half-dozen people in and out of government who would excel as CIA director.